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13 May 1960

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# CENTRAL

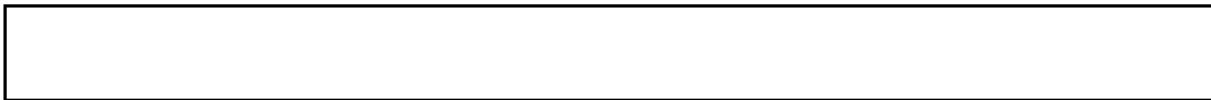
# INTELLIGENCE

# BULLETIN



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## CENTRAL INTELLIGENCE BULLETIN

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13 May 1960

### DAILY BRIEF

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#### I. THE COMMUNIST BLOC

[Redacted]

#### II. ASIA-AFRICA

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*N 0*  
Morocco: [Morocco will probably again protest the turnover of US base facilities to the French when an American unit withdraws on 1 July from the French air base at Rabat-Salé. Moroccan officials, including the King, continue to demand that all facilities used by American forces, including those at French bases, be handed over to the Royal Moroccan Armed Forces. Possible attempts of Moroccan forces to seize the areas as US units withdraw could lead to clashes with French troops. The French military command in Morocco has no plans to use the US-occupied site at Rabat-Salé but considers it an integral part of the French base, and "no thought is being given" to inviting Moroccan forces to occupy it when the American unit withdraws.]

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*N 0*  
Ethiopia: [Emperor Haile Selassie asked the US on 11 May for additional heavy army weapons as well as equipment for 26,000 police. He stressed his belief that the impending independence and union of Somalia and the British Somaliland protectorate pose a grave threat to adjacent Ethiopian territory. The Emperor asked for an early reply so that if it were negative, he could make "other arrangements." The USSR reportedly offered military assistance.]

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[On 30 April. The American ambassador believes that US relations with Ethiopia have reached a crisis and that the USSR is "pushing hard" to capitalize on the situation.]

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*(OK)*  
Belgian Congo: Popular apprehension and administrative paralysis in mineral-rich Katanga Province appear likely to give rise to serious disorders there in the period leading up to Congolese independence on 30 June. Belgian provincial officials, by failing to take vigorous action against strikes which began in early May, have contributed to an atmosphere of confusion and uncertainty.

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Southeast Asia: [Southeast Asian rice-producing countries are becoming increasingly bitter over sales of US surplus grains in Asian markets. Thai officials have objected strongly to the US agreement of 4 May to sell India 17,000,000 tons of surplus wheat and rice over a four-year period. The foreign minister says he may not attend the May SEATO meeting in Washington. Burma's leading anti-Communist paper warns that the agreement may drive Burma to new barter deals with Communist countries. South Vietnam holds earlier US surplus rice sales to Indonesia partly responsible for its 100,000 tons of unsold rice.]

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*(NO)*  
Indonesia: The expanding anti-Communist Democratic League hopes to capitalize on popular dissatisfaction with the present inefficient government to reduce Sukarno to a figure-head,

the league, with army encouragement, may organize a large demonstration in Djakarta on 20 May--"National Reawakening Day"--to emphasize its popular support. League officials are concerned that Sukarno, on his return from abroad early next month, may undercut his critics by seizing on the emotional issue of the upcoming Dutch naval visit to West Irian (Netherlands New Guinea).

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*NO*  
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South Korea - Japan: South Korean Acting Chief of State Huh Chung's firm stand against present arrangements for the repatriation of Koreans in Japan to North Korea is a major obstacle to any improvement in relations between Seoul and Tokyo. While Huh is now willing to resume negotiations prior to a cessation of organized mass repatriation, he has warned that this is an essential condition for a settlement of outstanding problems. Japanese officials have indicated it is impossible for them to stop the repatriation program. [redacted]

### III. THE WEST

*NO*  
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Peru: The Peruvian Labor Confederation, which is dominated by the leftist but non-Communist APRA party, has called a 24-hour general strike for 13 May in protest against recent "massacres" of peasants and workers at several foreign-owned installations, including two US-owned companies where police efforts to subdue disorders resulted in the deaths of six demonstrators during the first week in May. The strike, together with a student-worker meeting planned by the APRA-controlled student organization, could result in strong anti-American demonstrations. [redacted]

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\*Panama: The Panamanian Government is expected to declare opposition leader Roberto Chiari the winner of last Sunday's presidential elections, but will probably postpone the announcement until 16 May in order to avoid influencing the municipal elections of 15 May. [redacted]

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*OK*

Violence against the government would probably ensue if on 16 May the regime were to attempt to declare Arias the victor. [redacted]

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IV. SIGNIFICANT INTELLIGENCE  
REPORTS AND ESTIMATES

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(Available during the preceding week)

Outlook for Lebanon. SNIE 36.4-60. 10 May 60. [redacted]

Soviet Capabilities in Guided Missiles and Space Vehicles.  
NIE 11-5-60. 3 May 60. [redacted]

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## I. THE COMMUNIST BLOC

## II. ASIA-AFRICA

### Moroccans May Protest Relinquishment to French of US Base Facilities

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[When an American unit withdraws on 1 July from the French air base at Rabat-Salé, the Moroccan Government probably will renew charges that the United States, by not turning over the area to the Moroccans, is violating the 22 December 1959 agreement providing for progressive evacuation of the American air base complex in Morocco by the end of 1963. Both the left-wing and right-wing Moroccan press are also likely to renew accusations of US complicity with France in prolonging the occupation of Morocco. Possible attempts by Moroccan forces to seize the area as the US units withdraw would lead to clashes with French troops. The Moroccans may also man roadblocks adjacent to this and other French military establishments. In discussing evacuation with the American ambassador on 9 May, the King asked that Rabat be informed of the exact date of withdrawal and said that the Moroccan Government "will settle with the French."]

[Moroccan officials, including the King, demand that all facilities used by American forces at French bases be handed directly over to the Royal Moroccan Armed Forces. They have protested that two radar sites at Saida and Mechra Bel Ksiri, evacuated by the US last month, were relinquished to their French co-occupants instead of to Moroccan troops. The Moroccans were not mollified by the fact that all French forces were withdrawn from these two sites almost simultaneously and the facilities transferred from French to Moroccan control.]

[French officials consider the American-occupied site at Rabat-Salé an integral part of that base. French military officials, although resigned to the possibility of relinquishing Rabat-Salé as early as this year, are giving no thought to inviting Moroccan forces to move onto that portion of the base from which the American unit will withdraw. Instead, the French military command in Morocco hopes to persuade Rabat to permit the French Air Force to continue to occupy the base in exchange for instituting a training program for Moroccan jet pilots.]

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Ethiopia, Congo, etc. [redacted] Approved For Release 2002/09/04 : CIA-RDP79T00975A005100100001-3

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[Ethiopia's concern over developments in the neighboring Somali areas prompted Emperor Haile Selassie on 11 May to request additional US military assistance. He asked for arms for 8,000 troops in addition to the 24,000 men for whom the US already furnishes assistance, heavy equipment for his army, and equipment for 26,000 police. The Emperor asked for an early reply so that, if it were negative, he could make "other arrangements." The USSR on 30 April reportedly offered to supply arms and equipment for about 40,000 men, and the American ambassador believes that the USSR is "pushing hard" to capitalize on the situation.]

[Tension along the 1,000-mile frontier--much of it undemarcated--is endemic between Christian-dominated Ethiopia and the Moslem nomadic Somalis. Nine years of negotiations have failed to produce agreement between Ethiopia and the Italian-administered trust territory of Somalia on their disputed border, and for several years there has been friction and some violence between Somali tribesmen and Ethiopian authorities during tribal migrations. Ethiopian distrust and fear of Somali intentions is rising sharply in view of the impending independence and union on 1 July of Somalia and the British Somaliland protectorate. Somali nationalists declared in late April that the union was the "first practical step" toward the creation of a Greater Somalia--a concept which would include the 600,000 Somalis under Ethiopian control.]

[Ethiopia, considering the Somali issue of paramount importance, is judging foreign countries by their attitude toward the Somalis. Britain and Italy have been accused in the controlled Ethiopian press and privately by the Emperor of "neo-imperialist" designs in supporting Somali nationalism.]

[Addis Ababa has tried both bold and soft approaches on the question. On 11 May the Emperor summoned the foreign ambassadors and charged that the union of Somali territories was a "thinly disguised conspiracy for the seizure of Ethiopian territories." However, on 9 May leaders from the trust territories who had just talked to the Emperor reported that he was willing "to give Somalis their rights," which they understood as cession of territory. If this interpretation proves incorrect and their hopes of Ethiopian magnanimity are shattered, the campaign of Somali nationalists may be pushed, with a resultant aggravation of the existing tension.]

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Increasing Disorders in Important Congo Province

Popular apprehension and administrative paralysis in mineral-rich Katanga Province may lead to serious disorders in the period leading up to Congolese independence on 30 June. The province is plagued by sporadic labor stoppages, and the situation in Elisabethville has been described by the American Consulate as one of "complete uncertainty" and fear for the future. The consulate notes evidence of widespread discouragement among Belgian administrators, whom it described as incapable of making necessary decisions and preoccupied with moving their families to safety.

The exact motivation of the African strikers--whose work stoppage has impaired wide areas of the provincial economy--is unclear. They may hope that Belgian administrators, anxious to avoid trouble in the period before 30 June, would permit large wage increases which the new Congo government would feel obliged to continue. The strikes have subsequently taken on an anti-European tone, possibly on the instigation of agitators from the National Congo Movement faction of Patrice Lumumba. There is no evidence of direct Communist involvement, although Lumumba is believed to be receiving financial support from the Belgian Communist party.

Meanwhile, balloting began throughout the Congo on 11 May for a 137-seat Congolese assembly, and an upper house is to be elected subsequently by provincial councils. The election will take two weeks, and voting for the assembly is expected to be along tribal lines in many areas. Although probably no single party or coalition will gain a majority in the assembly, Belgian authorities expect Lumumba's faction to win a plurality of seats.

Lumumba's emergence as the leading Congolese politician would probably add to the tension in Katanga Province, where he has incurred the hostility of both the Belgians and many local African leaders. Sentiment there remains sharply divided among those who favor a unified Congo state and those who appear to advocate an independent Katanga; the latter group has threatened to secede from the Congo on

30 June.

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Southeast Asian Rice Exporters Criticize US PL-480 Grain Sales in Asia

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[Southeast Asian rice-exporting countries have reacted vigorously to the 4 May trade agreement under which the United States will provide India with 1,000,000 tons of rice and 16,000,000 tons of wheat surpluses over a four-year period. Thailand's Foreign Minister Thanat Khoman publicly charged on 11 May that the United States informed his government of the agreement only two days before it was signed and that these grain sales to India will cost Thailand \$5,000,000-\$10,000,000 annually in prospective revenues. In an angry protest earlier to the American ambassador in Bangkok, he had charged that the US-Indian negotiations had destroyed the possibility of Thai rice sales to India, because the Indians, no longer under pressure, had suddenly demanded that Thailand take their steel in return for rice. He scoffed at India's guarantee to maintain its normal rice imports.]

[Thanat is threatening to stay away from the late May meeting of the SEATO foreign ministers in Washington. In its current mood, the Thai Government might well look with increased favor on any proposals forthcoming from the bloc for economic ties.]

[In Burma, Rangoon's influential and stanchly anti-Communist daily, The Nation, has asserted that the United States' entry into the Asian grain market has seriously depressed rice prices. It warned that the most recent US-Indian grain agreement might compel Burma to turn once again to barter deals with Communist countries.]

[A Vietnamese Foreign Ministry note of 30 April, recalling its statement last year that US surplus sales were "causing serious difficulties to rice-exporting countries of the region," claimed that PL-480 sales to Indonesia in 1959 had contributed to the current 100,000-ton Vietnamese rice surplus. The note predicted that hardly half of the estimated 350,000 to 400,000 tons of exportable Vietnamese rice in 1960 would be marketed.]

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Japanese - South Korean Relations

[South Korean Acting Chief of State Huh Chung's firm stand against the present arrangement for the repatriation of Koreans in Japan to North Korea is a major obstacle to any improvement in relations between Seoul and Tokyo. While Huh on 11 May announced that suspension of the current program was not a prerequisite for the resumption of negotiations with Japan, he warned that cessation of organized mass repatriation is an essential condition for a final settlement of outstanding differences. Ambassador McConaughy in Seoul has noted that this probably is Huh's basic viewpoint.]

[Earlier Huh indicated that if the mass repatriation were halted and travel to North Korea put on an individual and private basis, it would be considered a "trivial" and "insignificant" matter. However, Japanese Vice Foreign Minister Yamada has stated that there would be very serious repercussions in Japan if the government reversed its position on the right of voluntary repatriation and terminated the program. He pointed out that new estimates indicated that a total of about 100,000 Koreans may go to North Korea.]

[Yamada also has dismissed South Korean overtures for a settlement of the Rhee line dispute. Commenting on Huh's suggestion to Ambassador McConaughy that South Korea is prepared to end seizures of Japanese fishing vessels if Japan observes the line until a conservation agreement is negotiated, Yamada said Japan is strongly opposed to such an arrangement. He noted that Japanese agreement would constitute tacit recognition of the Rhee line and might remove all stimulus for South Korea to settle the issue quickly.]

[The Japanese Government feels there are real uncertainties as to whether Huh is in a position at present to speak authoritatively for South Korea. Officials have expressed doubts that a suggested meeting between Huh and Prime Minister Kishi would be productive before greater stability is achieved in South Korea.]

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### III. THE WEST

#### Peruvian Strike May Occasion Anti-US Demonstrations

The Peruvian Labor Confederation (CTP), dominated by the leftist but non-Communist APRA party, has called a 24-hour general strike for 13 May in protest against recent "masacres" of peasants at several foreign-owned installations, including two US-owned companies. The APRA-controlled student organization has also scheduled a worker-student meeting for the same day at which protests could take the form of demonstrations against the United States or US companies.

Several US companies are under strong attack for alleged violations of Peruvian national sovereignty and the rights of workers and peasants. The Cerro de Pasco Corporation has long been criticized for its refusal to allow peasants to occupy its idle lands, and the deaths at the hands of Peruvian police of three Indians during an attempted invasion of company lands on 2 May and of three workers as the result of labor unrest at a US-owned sugar plantation on 7 May provided the impetus for the general strike call.

The US-owned International Petroleum Company, Peru's largest producer, has sustained prolonged and bitter criticism over the legal status of its oil properties and would probably be a major target of any demonstrations against US companies. The new US-owned copper installation at Toquepala in southern Peru is also under attack for its management's reluctance to permit the CTP to organize its workers.

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Chiari Probable Victor in Panamanian Presidential Elections

Officials of Panama's national election tribunal are expected to announce on 16 May the victory of opposition leader Roberto F. Chiari over his two competitors in last Sunday's presidential election.

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[redacted] This delay is presumably intended to avoid affecting the 15 May municipal elections, either by interfering with orderly voting or by encouraging a swing to pro-Chiari candidates.

Chiari, the candidate of a four-party opposition coalition, is a member of Panama's wealthy ruling clique and a former vice president who served briefly as president in 1949 before being ousted in a bloodless coup. During the pre-election campaign Chiari joined all other candidates in pledging to continue the nationalistic canal policies of the current regime. He also vowed to bring the discredited National Guard, Panama's only armed force, under civilian control. His assumption of the presidency, therefore, would require some accommodation with the leaders of the guard, traditionally the arbiters of Panamanian politics.

Many supporters of government candidate Ricardo Arias have already privately conceded his defeat in what has been called the most honest election in Panamanian history.

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Executive Offices of the White House

Special Assistant for National Security Affairs

Scientific Adviser to the President

Director of the Budget

Director, Office of Civil and Defense Mobilization

Director, National Aeronautics and Space Administration

Special Assistant for Security Operations Coordination

Chairman, Board of Consultants on Foreign Intelligence Activities

Special Assistant for Foreign Economic Policy

Executive Secretary, National Security Council

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The Secretary of the Treasury

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The Under Secretary of State for Political Affairs

The Deputy Under Secretary of State for Political Affairs

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Director, International Cooperation Administration

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Chief of Staff, United States Army

Chief of Naval Operations, United States Navy

Chief of Staff, United States Air Force

Commandant, United States Marine Corps

Assistant to Secretary of Defense for Special Operations

Director for Intelligence, The Joint Staff

Assistant Chief of Staff for Intelligence, Department of Army

Director of Naval Intelligence, Department of Navy

Assistant Chief of Staff, Intelligence, Department of the Air Force

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